# PART 7 SSI - Related Medicaid Budgeting

This Part describes the budgeting process for income and assets in SSI - Related Medicaid coverage.

#### SECTION 1 TREATMENT OF SSI - RELATED ASSETS

Assets must be under the following limits on any day of the month to be eligible for that month.

## **Section 1.1 Categorically Needy Asset Limit**

\$2000 for a single individual, a married individual not living with a spouse or a child.

\$3000 for an individual living with an ineligible spouse or an eligible couple.

# **Section 1.2 Working Disabled Asset Limits**

\$8000 for a single individual, a married individual not living with a spouse or a child.

\$12,000 for an individual living with an ineligible spouse or an eligible couple.

# **Section 1.3 Deeming of Assets**

When an eligible individual is living in the same household with an ineligible spouse, or if the eligible individual is a child under age 18 residing in the same household with a parent, the assets of the spouse or parent must be included in determining eligibility.

The assets of an ineligible spouse, or parent living with the individual, are deemed to the individual and are combined with the applicant's own assets.

# Section 1.3.1 Exclusions to Deeming Process

The assets listed below are excluded in determining the amount of the ineligible spouse's or ineligible parent's assets:

- I. Assets excluded in Part 16 are also excluded here.
- II. Assets owned by a stepparent.
- III. Pension Funds (IRA's & Keogh's) which belong to the ineligible spouse or ineligible parent.
- IV. Parent's assets are not considered in determining eligibility for the "Katie Beckett" coverage group.
- V. If the asset is only in the child's name, then it does not affect the parent's eligibility since there is no deeming from child to parent.
- VI. In determining eligibility for a child some assets may be deducted for legal parents and the balance applied to the child's asset limit. No assets are deducted for a stepparent.

The non-excluded assets of the parent in excess of \$2000 (if the child is living with one legal parent) or \$3000 (if the child is living with both parents)

are deemed to the child and combined with the child's own non-excluded assets. The combined amount of deemed and own assets must be under the \$2000 limit.

### **Example:**

The legal parents of Joe have non-excluded assets that total \$4000. Joe has \$200 of non-excluded assets of his own. We will deem \$1000 of the parent's assets to Joe. Joe now has \$1200 of countable assets which will be applied against his \$2000 asset limit.

# **Section 1.3.2 Duration of Deeming**

- I. Deeming ends the month after the ineligible spouse and eligible individual cease to live together for any reason.
- II. Deeming from parent to child stops the month after the child reaches age 18 or the month after the child no longer resides with the parents.

#### SECTION 2 SSI – RELATED INCOME BUDGETING PROCESS

This section describes the method used to budget income of household members when eligibility is being determined for SSI - Related Medicaid (see also Part 17 – Income).

# **Section 2.1 Disregards**

The following are deducted from the individual's or couple's gross non-excluded income in this order:

# **Section 2.1.1Federal Disregard**

Twenty dollars a month from earned or unearned income.

**Note:** The \$20.00 disregard is not applied to income based on need. This means there is no \$20.00 exclusion of a VA Pension or Veteran's Financial Assistance (which is based on need). The \$20.00 disregard does apply to VA Compensation (which is not based on need).

#### Section 2.1.2 Impairment - Related Work Expenses (IRWE)

Impairment - Related Work Expenses (IRWE) are to be deducted from a SSI - Related disabled individual's gross earnings. IRWE allowable deductions and limits are outlined in Appendix B.

# **Section 2.1.3 Earned Income Disregard**

\$65.00 is deducted from earned income. One half of the remaining earnings is also disregarded. This does not pertain to Sheltered Workshop Income (See Section 2.1.5 of this Part).

# **Section 2.1.4 State Disregard**

The State of Maine also allows an added deduction of \$55.00 for an individual and \$80.00 for a couple.

**Note:** There is no \$55.00 state disregard of income when determining eligibility for State Supplement for individuals residing in residential care living arrangements defined in Part 12, Section 1.

# **Section 2.1.5 Special Group Disregards**

I. Pickle Disregard -

Individuals or couples covered under the Pickle Amendment (see Appendix C) have all Cost of Living Adjustment's (COLA's) to Social Security benefits received since the closure of concurrent entitlement for SSI or State Supplement and Social Security disregarded. This disregard applies also to COLA increases of the spouse even if the spouse is not eligible as a Pickle.

II. Disabled Adult Children Disregard -

Individuals or couples receiving Social Security benefits as Disabled Adult Children have a portion of their Social Security benefits disregarded. The amount of the disregard equals the Social Security increase due to the initial DAC Award causing the loss of SSI or State Supplement.

The individual or couple loses this disregard when they marry, unless they marry another DAC.

III. Disabled Widow(er) (DWB) Benefit Disregard –

The amount of the disregard as a Disabled Widow(er) is the amount of the Social Security benefits that caused the loss of SSI or State Supplement benefits. Disabled Widow(er)s maintain this status when they marry as long as they are still disabled.

IV. Shelter Workshop Disregard -

Subtract \$20 Federal disregard, if not previously deducted Subtract \$50 from remaining sheltered workshop income Subtract 1/2 of remaining sheltered workshop income

### Section 2.2 Deeming of Income

When an eligible individual is living in the same household with an ineligible spouse, or if the eligible individual is a child under age 18 residing in the same household with a parent, the income of the spouse or parent must be included in determining eligibility.

The income of an ineligible spouse, or parent living with the individual is deemed to the individual and are combined with the applicant's own income.

#### Section 2.2.1 Allocation

Before income is deemed an amount is deducted from income which is set aside for the support of certain individuals other than the eligible individual. Specifically:

- I. Ineligible child allocation:
  - A. when determining eligibility for an eligible child, allow an allocation from the parent's income for each ineligible child living in the household. In a household where there is a stepparent to an eligible child, use the legal parent's income to meet the allocation for mutual children.
  - B. when determining eligibility for an individual or a couple, allow an allocation from the parent's income for each ineligible child living in the household.

- 1. for SSI, the State Supplement and when using the Pickle, DWB, or DAC disregards, an allocation is allowed only from the income of an ineligible spouse
- 2. in other Medicaid determinations, an allocation is allowed from the income of the eligible individual or couple as well as the ineligible spouse.
- 3. stepparents can allocate to legal children only (including mutual), not to step-children.
- 4. allow an allocation for a child who is under age 22 (through age 21) and a student regularly attending school or college or training designed to prepare him/her for a paying job. The allocation can be used for a child who is away at school as long as they are considered to be temporarily absent. A child away at school is considered temporarily absent if s/he returns home on some weekends, holidays, or vacations and parent(s) have authority to make decisions on the child's behalf whether or not this authority is exercised.
- 5. allocations from a spouse's or parent's income for an ineligible child in the household (or temporarily absent from the household) end the month the child attains age 18, or if a student, age 22.
- 6. the amount of the allocation is equal to the difference between the ineligible child allocation amount in Chart 3 and the ineligible child's gross monthly income. Gross monthly income for this purpose is gross non-excluded income (Part 17) minus the specific exclusions in Section 2.2.2 of this Part.
- II. Parent Allocation when determining eligibility for an eligible child:
  - A. deduct an amount from an ineligible parent's own income when deeming parental income to an eligible child. This is the parent allocation.
  - B. the amount is equal to the parent'(s) allocation in Chart 3.2.
  - C. step-parents are not included in the parent allocation.

## **Section 2.2.2 Exclusions to Deeming Process**

- I. The following is excluded income when determining the income to be deemed from the ineligible spouse to the eligible spouse:
  - A. All income that is excluded for an eligible individual.
  - B. Income from TANF, General Assistance or federal program benefits that are based on need (such as Veteran's Pension). In addition, exclude any income that was counted or excluded by any of these benefits.
  - C. Income used to comply with the terms of court ordered support and Title IV-D support payments.
  - D. When deeming from an ineligible spouse to an eligible spouse, exclude an amount equal to the "ineligible spouse standard" in Chart 3.5. This exclusion is taken first from unearned income and any remainder is taken from earned income.
- II. The following is excluded income when determining the income to be deemed from an ineligible parent to an eligible child:

**Note:** Income is not deemed from a stepparent. When looking at the parent allocation, look at the amount for a one-parent household. The eligible child is treated as "living with others".

- A. All income that is excluded for an eligible individual.
- B. Income from TANF, General Assistance or federal program benefits that are based on need (such as Veteran's Pension). In addition, exclude any income that was counted or excluded by any of these benefits. No parent allocation is made.
- C. Income used to comply with the terms of court ordered support and Title IV-D support payments.
- III. The following is excluded income when determining the income of an ineligible child to whom an income allocation is made:

All income that is excluded for an eligible individual with one exception. There is no one-third exclusion of child support received for the ineligible child.

**Note:** An ineligible child allocation is not made to a child who is receiving TANF, SSI or State Supplement.

IV. When determining eligibility for a child:
If siblings receive SSI or State Supplement, treat them as eligible children in the budgeting process. Exclude the SSI or State Supplement payments the siblings receive.

# **Section 2.2.3 Duration of Deeming**

- I. Deeming ends the month after the ineligible spouse and eligible individual cease to live together for any reason.
- II. Deeming from parent to child stops the month after:
  - A. the child reaches 18; or
  - B. the month after the child no longer resides with the parents for any reason.

#### SECTION 3 SSI - RELATED BUDGETS FOR AN INDIVIDUAL/CHILD

The following describes budgeting for:

- SSI or State Supplement for eligible individuals.
- Pickle, DAC, DWB for eligible individuals.
- Categorically Needy Medicaid for eligible individuals.
- SSI, State Supplement and Categorically Needy Medicaid for eligible children.

**Note:** If an individual is over income or assets under Categorically Needy, eligibility needs to be determined under Medically Needy criteria (See Part 10).

# **Section 3.1 Budget for SSI or State Supplement Payment**

I. Combine all gross unearned income.

- II. Subtract the \$20.00 Federal Disregard where applicable. The remainder is the net unearned income.
- III. Combine all gross earned income.
- IV. Subtract any remainder of the \$20.00 Federal Disregard not deducted from unearned income.
- V. Subtract any Impairment-Related Work Expenses (IRWE) outlined in Appendix B.
- VI. Subtract the earned income disregard of \$65.00.
- VII. Divide the remaining earned income by two. The remainder is net earned income.
- VIII. Combine net earned and unearned income. The remainder is total net income.

If total net income is below the appropriate SSI Income Standard for one, based on living arrangement, the individual meets the income criteria for an SSI payment.

If receiving SSI, the individual also gets a State Supplement. If over income for SSI, s/he may be eligible for a State Supplement only payment.

IX. Subtract the State Disregard for one (\$55.00), except for those in living arrangements D, E, F, G, H (See Chart 3.6). The remainder is countable income.

If countable income is below the appropriate State Supplement Income Standard for one, based on living arrangement, the individual meets the income criteria for the State Supplement only payment (See Part 11 for more information on State Supplement eligibility).

# Section 3.2 Budget for Medicaid Coverage Under Pickle Amendment or Disabled Adult Child (DAC) or Disabled Widow(er) Disregards

Follow the budgeting process in Section 3.1 for an individual, except that the Pickle, DAC, and/or DWB income disregard(s) are subtracted after step I. and before step II (Federal Disregard).

Follow the budgeting process for a disabled child in Section 3.4 of this Part. In determining the child's countable income deduct the Pickle disregard between steps I and II (Federal disregard).

If countable income is below the State Supplement Income Standard, the individual is Medicaid eligible.

#### Section 3.3 Budget for Categorically Needy Medicaid Coverage

Individuals who are not eligible under Section 3.1 or Section 3.2 or who choose not to apply for SSI/State Supplement, may get Medicaid coverage (if otherwise eligible) by using the following budget process.

- I. Combine all gross unearned income.
- II. Subtract the \$20.00 Federal Disregard, where applicable. The remainder is the net unearned income.
- III. Subtract any allocation to an ineligible child. An ineligible child is one who is not receiving TANF, SSI or State Supplement.

To determine the allocation, deduct each child's countable income from the maximum child allocation (see Chart 3.2). The remainder for each child is combined to determine the total allocation. The remainder is the individual's net unearned income.

- IV. Combine all gross earned income.
- V. Subtract any remainder of the \$20.00 Federal Disregard not deducted from the unearned income.
- VI. Subtract any remainder of the ineligible child allocation not deducted from the unearned income.
- VII. Subtract any Impairment-Related Work Expenses (IRWE) outlined in Appendix B.
- VIII.Subtract the earned income disregard of \$65.00.
- IX. Divide the remaining earned income by two. The remainder is net earned income.
- X. Combine the net earned and unearned income.
- XI. Subtract the State Disregard for 1 (\$55.00). The remainder is the countable income.

If countable income is equal to or below 100% of the Federal Poverty Level (See Chart 6) for one and eligibility is based on age or disability, the individual is Medicaid eligible.

**Note:** The State Supplement budgeting criteria must be used for an individual whose eligibility is based solely on blindness. However, if the individual also meets the SSI criteria for disability use the budgeting criteria in this section.

If countable income is greater than the Federal Poverty Level (See Chart 6) for one, go to the Medically Needy Part 10.

# Section 3.4 SSI, State Supplement and Categorically Needy budget for a child

- I. Subtract the allocation for ineligible children and/or aliens from the parental unearned income.
- II. If the allocations are greater than the unearned income, or there is no unearned income, subtract the excess allocations from the parental earned income.

- III. Subtract the \$20.00 Federal Disregard from any remaining parental unearned income.
- IV. If the remaining unearned income is less than \$20.00, subtract the remainder of the \$20.00 from the parents' combined earned income.
- V. Subtract \$65.00 from the remaining earned income.
- VI. Subtract one-half the remaining earned income from the result of Step V.
- VII. Add the result of Step III (countable unearned income) to the result of Step VI (countable earned income).
- VIII.Subtract the parental living allowance (see Chart 3.2) from the result of Step VII (parental countable unearned and earned income).
- IX. Divide the result of Step VIII by the number of eligible children in the household. This is unearned income to the eligible child(ren).

If there is more than one eligible child in the household, divide the deemed income equally among them. However, do not deem in excess of the amount which, when combined with the child's own income, would make the child ineligible. That excess is deemed in equal amounts among the other eligible children in the household in addition to their equal shares of the deemed income (See Example 2 below).

#### Determine the child's countable income:

- I. Combine the deemed income with the child's own unearned income.
- II. Subtract the \$20.00 Federal Disregard. The remainder is the net unearned income.
- III. Combine all gross earned income.
- IV. Subtract any remainder of the \$20.00 Federal Disregard not deducted from the unearned income.
- V. Subtract any Impairment Work-Related Expenses (IRWE) outlined in Appendix B.
- VI. Subtract the earned income disregard of \$65.00.
- VII. Divide the remainder by two. The remainder is the net earned income.
- VIII.Combine the net earned and unearned income.
- IX. Subtract the State Disregard for one (see Chart 3.1). The remainder is the countable income.

If the countable income is below the SSI/State Supplement Income Standard for one, see Chart 3.4, (living in the household of another) the child may be eligible for a SSI / State Supplement payment (See Part 11).

If countable income is equal to or below 100% of the Federal Poverty Level (See Chart 6) for one the child is Medicaid eligible.

If countable income is greater than the Federal Poverty Level (See Chart 6) for one, go to the Medically Needy Part 10.

# **Examples:**

1. Mr. and Mrs. Fry have two children, Linda (age 10) and Mike (age 11). Mike has been found disabled through the Medical Review Team. Mr. Fry earns \$600 weekly. There is no other income for the family.

	\$ 600	weekly gross income (Mr.)
	X 4.3	
	\$2580	monthly gross income
_	<u>\$ 319</u>	ineligible child allocation to Linda
	\$2261	
	\$ 20	federal disregard
	\$2241	•
	\$ 65	earned income disregard
	\$2176	- Control of the cont
-	\$1088	earned income disregard (1/2 the remainder)
	\$1088	•
-	\$ 956	living allowance for two parents (Chart 3.2)
	\$ 132	deemed to Mike
-	\$ 20	federal disregard
	\$ 112	3
-	\$ 55	state disregard
	\$ 57	countable income for Mike

Mike's income is less than the SSI/State Supplement standard for one. He is eligible for Medicaid and may be eligible for SSI.

If the countable income was equal to or above the appropriate SSI/State Supplement Standard compare the countable income to 100% of the Federal Poverty Level (See Chart 6) for one.

2. Kevin and Beth Ham have two children, Barbara and Dick, both of which meet disability criteria. Dick receives an annuity of \$600 monthly due to an accident.

\$3765.00	Kevin's monthly earnings
<u>\$ 20.00</u>	federal disregard
\$3745.00	
- <u>\$ 65.00</u>	earned income disregard
\$3680.00	
- <u>\$1840.00</u>	earned income disregard (1/2 the remainder)
\$1840.00	,
- \$ 934.00	parent allocation
\$ 906.00	income to be deemed to eligible children

The \$906.00 would be deemed equally between the two eligible children. Doing so would make Dick over income. As a result, we will deem an amount to Dick up to the Categorical Income limit and the balance is

deemed to Barbara. This will result in both Barbara and Dick being eligible for Medicaid.

\$ 926.00 Categorical Income limit \$ 600.00 Dick's annuity \$ 326.00 amount deemed to Dick

\$ 906.00 income to be deem to eligible children

\$ 326.00 amount deemed to Dick \$ 580.00 amount deemed to Barbara

# SECTION 4 BUDGET FOR A COUPLE OR FOR AN ELIGIBLE INDIVIDUAL WITH AN INELIGIBLE SPOUSE

The following describes budgeting for an eligible couple or eligible individual with an ineligible spouse:

- SSI or State Supplement
- Pickle, DAC, DWB
- Categorically Needy Medicaid
- SSI, State Supplement and Categorically Needy Medicaid

**Note:** If over income or assets under Categorically Needy, eligibility needs to be determined under Medically Needy criteria (See Part 10).

In SSI - Related coverage groups, when one spouse is receiving an SSI/State Supplement benefit, that spouse is included in the assistance unit. The SSI/State Supplement payment is excluded income. All other countable income of the SSI/State Supplement recipient is used to determine eligibility for the assistance unit.

#### Example:

Barb VanMarpel receives SSDI of \$600 and SSI of \$57.00. Her husband Antonio, age 83, has retirement income of \$300, monthly. Barb is eligible for Medicaid because she receives SSI. Eligibility needs to be determined for Antonio. The budget for his eligibility will use Barb's SSDI of \$600 and his retirement of \$300. The budgeting process used is for an eligible couple.

# Section 4.1 Budget for SSI or State Supplement Payment

I. Budget for an Eligible Couple -

Follow the budgeting steps for an individual with the following exceptions:

- A. the income of the couple is used
- B. the State Disregard for two is used in Step XI (\$80.00).
- C. Net income is compared to the SSI Income Standard for two based on living arrangement.
- D. If ineligible for SSI, countable income is compared to the State Supplement Income Standard for two based on living arrangement.
- II. Budget for an Eligible Individual with an Ineligible Spouse -
  - A. Pretest: The individual must have countable income less than the SSI or State Supplement Income Standard for one.
    - Determine the eligible individual's countable income, using steps I – IX in Section 3.1.

- If this figure is equal to or greater than the SSI or State Supplement Income Standard for one the individual does not meet the pretest and is not eligible under this section.
- If this figure is less than the SSI or State Supplement Income Standard for one, based on the living arrangements (see Chart 3.4), the individual is potentially eligible for SSI or State Supplement.

The SSI or State Supplement budgeting process continues with deeming income from the ineligible spouse.

B. Deeming of income from the ineligible spouse -

**Note:** See Section 2.2.2 of this Part on Deeming of Income for special income exclusions allowed from the income of an ineligible spouse.

- Combine all of the ineligible spouse's unearned income.
- Subtract any allocation to an ineligible child. An ineligible child is one who is not receiving TANF, SSI or State Supplement. To determine the allocation, deduct each child's countable income from the maximum child allocation (see Chart 3.2).

The remainder for each child is combined to determine the total allocation.

**Note:** For SSI or State Supplement eligibility, only the ineligible spouse can allocate income to an ineligible child.

The remainder is the spouse's net unearned income.

- Combine all of the ineligible spouse's earned income.
- Subtract any remaining child allocation from the earned income.

The remainder is the spouse's net earned income.

- C. Eligibility of the Eligible Spouse -
  - Combine the individual's gross unearned income with the spouse's net unearned income (after the child allocation has been deducted).
  - Subtract the \$20.00 Federal Disregard, where applicable.
  - Combine the individual's gross earned income with the spouse's net earned income (after any remaining child allocation is deducted).
  - Subtract any remainder of the \$20.00 Federal Disregard not deducted from the unearned income.
  - Subtract any Impairment-Related Work Expenses (IRWE) outlined in Appendix B.
  - Subtract the earned income disregard of \$65.00.
  - Divide the remaining earned income by 2. The remainder is the net earned income.

 Combine the net earned and unearned income. This is the total net income.

If total net income is below the SSI Income Standard for two, based on living arrangement, and the individual met the pretest, the eligible individual meets the income criteria for an SSI and State Supplement payment.

If over income for SSI, s/he may be eligible for just a State Supplement payment.

• To determine if the eligible individual can receive just a State Supplement payment subtract the State Disregard for two (\$80.00), except for those in living arrangement D, E, F, G (See Part 11). The remainder is the countable income.

If the countable income is below the State Supplement Income Standard for two, (See Chart 3.4) based on living arrangement, and the individual met the pretest, the eligible individual meets the income criteria for just a State Supplement payment

Part 11 has additional information on State Supplement.

If countable income is greater than the Federal Poverty Level (See Chart 6) for one, go to the Medically Needy Part 10.

Section 4.2 Budget for Medicaid for Coverage Under Pickle Amendment or Disabled Adult Child (DAC) or Disabled Widow(er) (DWB) Disregards Follow the budgeting process in section 4.1, steps A, B and C, except that the Pickle DAC, and/or DWB income disregard(s) are subtracted before the Federal Disregard.

If countable income is below the State Supplement Income Standard for two, the individual is Medicaid eligible.

# Section 4.3 Budget for Categorically Needy Medicaid Coverage

A couple or an eligible individual with an ineligible spouse who is not eligible under 4.1 or 4.2 or who chooses not to apply for SSI/State Supplement, may get Medicaid coverage (if otherwise eligible) by using the following budget process.

**Note:** See Section 2.2.2 of this Part on Deeming of Income for special income exclusions allowed from the income of an ineligible spouse.

Combine all gross unearned income of the couple.

- I. Subtract the \$20.00 Federal Disregard where applicable.
- II. Subtract any allocation to an ineligible child. An ineligible child is one not receiving TANF, SSI or State Supplement. To determine the allocation, deduct each child's countable income from the maximum child allocation (See Chart 3.2). The remainder for each child is combined to determine the total allocation. The remainder is the net unearned income.
- III. Combine all gross earned income of the couple.

- IV. Subtract any remainder of the \$20.00 Federal Disregard not deducted from unearned income.
- V. Subtract any remainder of the ineligible child allocation.
- VI. Subtract any Impairment-Related Work Expenses (IRWE) outlined in Appendix B.
- VII. Subtract the earned income disregard of \$65.00.
- VIII.Divide the remaining earned income by two. The remainder is net earned income.
- IX. Combine the net earned and net unearned income.
- X. Subtract the State Disregard for two (\$80.00). The remainder is countable income.

If countable income is equal to or below 100% of the Federal Poverty Level for two (see Chart 6) and eligibility is based on age or disability, the individual or couple is Medicaid eligible.

**Note:** The State Supplement budgeting criteria must be used for an individual or couple whose eligibility is based solely on blindness. However, if the individual or couple also meets the SSI criteria for disability use the budgeting criteria in this section.

# **SECTION 5 KATIE BECKETT COVERAGE**

Katie Beckett is a MaineCare coverage group for children who are ineligible under a Family - Related or any other SSI - Related coverage group and who:

- I. are age 18 and under (up to age 19);
- II. reside in the community (not in a medical institution);
- III. meet the SSI/SSA criteria for disability; and
- IV. need in-patient care provided by a hospital, nursing facility, psychiatric hospital, or an ICF-MR. The cost of providing care outside the facility must not exceed the annual cost of institutional care needed by the child as determined by the Office of MaineCare Services.
- V. If a child covered under Katie Beckett no longer resides with the parent(s), parental deeming under SSI Related rules ends (See Section 2.2.3 of this Part). The child may then be eligible as SSI Related and may not need the Katie Beckett coverage group.

#### **Section 5.1 Income and Assets**

If the criteria in I-IV above are met, the income and assets of the child only are considered in determining financial eligibility. Parental income and assets are disregarded. There is no cost of care and there is no penalty for transfer of resources.

- I. The child's gross income as defined in SSI Related coverage must be less than or equal to the Categorical Nursing Care Limit (see Chart 4.1). If income exceeds this amount, the individual is not eligible.
- II. The child's countable assets as defined in Part 16 must be less than \$2,000.

# **Section 5.2 Premiums**

 Except for Alaska Natives and Native Americans who are members of Federally-recognized Tribes, the Department must receive monthly premiums as described below, in order for the child to receive Katie Beckett coverage.

#### A. Amount:

- 1. The amounts of the monthly premiums, based on family income as a percentage of the Federal Poverty Level, are identified in Chart 3.12.
- 2. The premium amounts in the chart apply to a family, regardless of the number of Katie Beckett children in the family.
- 3. For purposes of calculating family income as a percentage of Federal Poverty Level to determine monthly premiums, family size is the total of the child or children covered under the Katie Beckett group, his or her siblings and his or her parents who reside in the household. Family income is based on gross monthly non- excluded income of the family. Income excluded by SSI - Related coverage and stepparent income (unless the stepparent is to be counted in the family size) are both excluded.
  - a. There are no deductions or disregards from income.
  - b. Current income is projected over a twelve month period.
  - c. SSI Related Medicaid rules are used in anticipating income and in the treatment of irregular, fluctuating, contract, seasonal and self-employment income.
  - d. Premium amounts due can be changed if there is a change in income or health insurance that is expected to last for more than a full calendar month. The change in premium amount is effective the month after the month the change in income or health insurance occurred, as long as the change in income or health insurance is reported within ten days of its occurrence; otherwise, the change in premium is effective the month after the month the change in income or health insurance is reported. Adverse action notice will be given when a premium is increased.
  - e. There are two premium schedules:
    - i. a standard premium for children without any other creditable private health insurance coverage. Creditable insurance coverage is defined in 42 U.S.C. §300gg(c)(1) and includes any health benefits plan, individuals or group, a medical care program of the Indian Health Service or another tribal organization, any government insurance

plan for Armed Forces, Peace Corps volunteers or government employees, provided by a carrier for the purposes of providing, paying for or reimbursing expenses for health services. Creditable insurance coverage does not include coverage which is limited in scope such as dental insurance or vision care insurance; and

ii. a discounted premium for children covered by a private health insurance plan.

**Note:** For families using the Private Health Insurance Program (PHIP) benefit, the standard premium schedule applies.

## B. Payment:

1. Payment is due to be received by the Department on the first day of the month for which the child receives coverage.

2. Premiums can be paid monthly, for more than one month at a time, or in advance for the twelve month eligibility period. Payments will first be credited to the earliest months of coverage during the current twelve month eligibility period. If retroactive coverage is granted according to Part 2, Section 13.4, then payment will also be due for the retroactive months of coverage. These payments for retroactive coverage will be created first.

For example: A monthly premium of \$92.00 is due during the twelve month review period from January to December and the first payment of \$92.00 is received on March 1<sup>st</sup>. Month one (January) will be credited with a premium paid. The February and March payments are overdue.

3. Payment must be paid up to date every three months. If not, advance notice of closing will be sent to end coverage the last day of the 3<sup>rd</sup> month.

For example: The 1<sup>st</sup> month of coverage is January. As of March 1<sup>st</sup>, premiums for January, February, and March are paid. As of June 1<sup>st</sup>, payments are received by DHHS for April, but no payment is received for May or June. Action is taken to end Medicaid coverage effective June 30<sup>th</sup>.

- 4. There is a grace period for nonpayment of premiums. The grace period extends through the last day of every 3<sup>rd</sup> month.
- 5. If payment is received the month following the month coverage has ended, a new medical assessment is not needed to determine if the child is in the need of institutional level of care. Reapplications for any following months require a new medical assessment. A prior decision on meeting the SSA disability criteria can be used if the review date of this decision is in the future.
- 6. If MaineCare coverage under the Katie Beckett group is closed due to non-payment or non-timely payment of a premium,

- coverage under Katie Beckett cannot be reinstated for twelve months starting with the month the closing is effective unless all past due premiums are paid in full.
- 7. Coverage under this group can be reinstated in fewer than 12 months if there is good cause for late or non-payment of premiums because of one of the following reasons:
  - a. mail delay:
  - b. illness of the parent; or
  - c. unanticipated emergency beyond the control of the parent or the responsible individual.

# C. Refunds -

A refund is due if an agency error occurs. Any adjustment will be limited to twelve months prior to knowledge that an agency error has occurred.

- II. If a child under age 18 is getting Medicaid coverage through the SSI cash program and he/she becomes ineligible for an SSI cash payment due to the parents' income or assets, the child may continue to get full Medicaid coverage and a \$40.00 payment through the SSI and State Supplement program if the child:
  - A. is disabled:
  - B. received SSI benefits while in a medical facility (hospital or nursing home) for at least one month; and
  - C. meets the inpatient level of care standard for Katie Beckett.

The SSI office will ask the state Department of Health and Human Services to see if the child meets the medical need standard for the Katie Beckett option. The SSI office will let the parents know if the child meets the criteria and can get the \$40.00 payment from SSI/State Supplement as well as continued Medicaid coverage. SSI may refer to this option as the "waiver of parental deeming".

#### SECTION 6 BUDGETING FOR WORKING DISABLED

There is a two step test of income that must be met.

- I. Countable unearned income must be equal to or less than 100% of the Federal Poverty Level (See Chart 6).
- II. Countable unearned and earned income subject to federal tax withholding must be less than 250% of the FPL (See Chart 6).

#### **Section 6.1 Earnings**

The individual must have earnings subject of federal tax withholding but there is no minimum work requirement and no SGA earnings test.

# **Section 6.2 Disability**

The individual must meet the SSI criteria for disability. This criteria is met if there is currently in effect a decision by the Social Security Administration that this disability criteria is met.

# **Section 6.3 Changes**

If the individual becomes eligible for Medicaid without a premium because of a change in income and that change is expected to last for a full calendar month, the individual will be moved to Medicaid coverage without a premium. This change is made effective the month the change occurred as long as this change is reported within ten days of its occurrence; otherwise, it is effective the month the change is reported. "Occurrence" is the date the change takes place.

The individual will be given a refund for any prepaid months in which s/he is subsequently moved to coverage without a premium.

### **Section 6.4 Premiums**

Due Date/Amount of Premium -

A premium payment is due for each month the individual is open for Medicaid under this coverage group unless s/he is exempt from a premium as identified below.

If a couple is eligible under this coverage group, there is one premium for the couple based on the couple's countable income.

Premiums are due on the first day of each month of coverage.

The premium amount is based on countable monthly income projected for the twelve month eligibility period and does not change. A premium is effective the month an individual is added for coverage under this coverage group. Any decrease in premium is effective the month the individual's coverage under this group ends.

If countable monthly income is over 150% and equal to or less than 200% of the FPL (See Chart 6), the monthly premium is \$10.00. If countable monthly income is over 200% and less than 250% of FPL the monthly premium is \$20.00.

II. Exemptions from Premium Payment -

An individual is exempt from a premium:

- A. if countable income is less than or equal to 150% of the Federal Poverty Level (See Chart 6);
- B. if s/he is responsible for paying for their Medicare Part B premium; or
- C. if there is good cause for premiums not paid or not paid when due because of one of the following reasons:
  - 1. mail delay;
  - 2. illness of the individual or their responsible relative; or
  - 3. an anticipated emergency beyond the control of the individual or their responsible relative.
- D. For periods of retroactive coverage or temporary coverage.
- III. Payment of Premiums -
  - A. Premiums can be paid monthly, for more than one month at a time, or they can be paid in advance for the twelve month eligibility period.

Payments will be credited to the earliest months of coverage first, during the current 12 month eligibility period.

Example:

A monthly premium of \$10.00 is due during a twelve month eligibility period from January to December and the first payment of \$50 is received on June 1<sup>st</sup>. Months one through five will be credited with a premium paid. The June payment is overdue.

- B. When a premium is not paid by the first of the month in which it is due the Department will give notice of nonpayment.
- C. There is a grace period for nonpayment of premiums. The grace period extends through the last day of the twelve month eligibility period.

# **Example:**

If the eligibility period is January through December, the individual has until December 31<sup>st</sup> to pay his or her premiums for the period January to December. If the last day of the month falls on a weekend or holiday the premium is then due on the next workday.

D. When eligibility under this coverage group ends prior to the end of the twelve month eligibility period, the grace period for premium payment extends to the last day of the month in which coverage under the Working Disabled group ends.

# **Example:**

An individual granted 10/07 has a review date of 9/08 but his coverage is changed to Medicaid without a premium for 12/07. The grace period for payment of premiums for October and November is November 30<sup>th</sup>.

E. When eligibility under this coverage group is continued pending a hearing and a premium is due, the grace period is the last day of the month for which coverage is provided.

# **Example:**

The premium for the month of July is due July 1<sup>st</sup>. The grace period extends to July 31<sup>st</sup>.

- IV. Non Payment of Premiums -
  - A. At the beginning of month twelve of the eligibility period, notification will be given if any premiums for the eligibility period have not been paid when due. The individual will be notified of the penalty to be imposed because of the nonpayment.
  - B. At the twelve month review a determination will be made as to whether there are any overdue premiums. If so, coverage under the Working Disabled group will end unless there is "good cause" for nonpayment. Coverage as Working Disabled cannot begin again until any unpaid premiums are paid.
- V. Administrative Hearings -
  - A. Coverage as Working Disabled continues pending a hearing decision if a hearing is timely requested even if the individual is not paying

- premiums that are due. If the individual was responsible for paying a premium prior to the proposed negative action, this premium will continue to be due.

  B. If the individual is upheld at the hearing and they have overpaid any
- premiums s/he will be issued a refund.